

**Department of Labor & Economic Growth
Wage & Hour Division
PO Box 30476
Lansing, MI 48909-7976
(517) 322-1825**

Guide to Michigan Minimum Wage Law of 1964 Coverage

The state minimum wage law applies to employers not covered by the federal minimum wage law. The state's minimum wage rate also applies to certain employees in federally covered businesses because the state rate for those employees is higher than the federally required rate.

State Coverage:

The Michigan Minimum Wage Law covers individuals 16 years of age or older. These workers must be paid a minimum of \$5.15 an hour effective September 1, 1997, if the business has at least two covered employees. A training wage of \$4.25 may be paid to employees 16 to 19 years of age for the first 90 calendar days of employment.

Overtime compensation must be paid at 1½ times the employee's regular rate of pay. Under specific circumstances, employees may elect to take time and one-half off rather than receive overtime wages. Employees must receive 1 ½ hours of compensatory time for each hour worked over 40 hours in a workweek.

The Michigan Minimum Wage Law covers tipped employees age 16 and over. Because the federal minimum wage law preempts itself from application when a higher state minimum rate exists, employers in federally covered businesses must pay tipped employees age 16 or older at least \$2.65. To qualify, employees must report tips which when added to \$2.65 will provide a pay rate equal to, or exceeding, the minimum hourly rate.

Federal Coverage:

Employees that produce goods for sale outside of the State of Michigan (for interstate commerce), as well as all employees of businesses with annual revenue over \$500,000 are covered by the federal minimum wage law, the Fair Labor Standards Act of 1938 (FLSA). Domestic service workers such as day workers, housekeepers, chauffeurs, cooks, or full time babysitters are covered if they receive at least \$50 in cash wages in a calendar quarter or work more than 8 hours per week. The federal minimum wage law also covers certain specialized businesses:

- 1) A hospital or health care facility for the sick, aged or mentally ill; or
- 2) A pre-school, elementary or secondary school or college; or
- 3) An agricultural employer who employs 500 man days of agricultural labor (in a quarter for the previous or current year); or
- 4) Federal, state, and local governments.